



California Public Utilities Commission

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PRESS RELEASE

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CPUC AUGMENTS SAFETY EFFORTS WITH NEW CITATION PROGRAM AND RISK-BASED DECISION-MAKING

SAN FRANCISCO, December 4, 2014 - The California Public Utilities Commission (CPUC) today augmented its safety efforts with the creation of a new electric citation program and a risk-based decision-making process that will be added to utility rate cases.

Under the new electric safety citation program, CPUC staff has the authority to issue a written citation to electric companies when a violation is found. Each day of an ongoing violation may be counted as an additional offense. Each citation may assess the maximum penalty amount set forth under the Public Utilities Code of \$50,000. The CPUC previously adopted a natural gas safety citation program in December 2011. The electric safety citation program implements Senate Bill 291 (Stats. 2013, Ch. 601), which called for the development of a safety enforcement program for electric companies by January 1, 2015.

“The electric safety citation program allows our enforcement team to have an additional tool to use to help ensure that companies owning or operating electric infrastructure or transmission and distribution facilities do so in a safe and reliable way,” said CPUC Commissioner Michael Picker, the Commissioner assigned to the proceeding. “The program does not interfere with the existing requirements that companies maintain and operate their systems safely, nor does it limit or interfere with our ability to institute a formal proceeding.”

Separately, in order to better address safety in the rate cases of utilities (pursuant to Public Utilities Code Section 963(b)(3) and Public Utilities Code Section 750), the CPUC took action to incorporate risk-based decision-making into the process. Every three years the utilities file a General Rate Case



with the CPUC to set rates. Within that proceeding there will now be a new process whereby the utilities provide information about how the utility assesses its safety risks, and their proposed plans for addressing such risks. This new framework will assist the utilities, interested parties, and the CPUC in evaluating the various safety related risks that face the energy utilities, and to assess their plans for how they will manage, mitigate, and minimize such risks over the three-year period.

“We have created a process that is founded on three principles: transparency, participatory inclusivity, and accountability,” said CPUC President Michael R. Peevey, the Commissioner assigned to the proceeding. “We are requiring utilities to tell not only the CPUC, but also all stakeholders in an open proceeding, how they identify risk and the tools used to make such determinations. We are also requiring utilities to prioritize their risk and associate a dollar amount related to how that risk will be reduced, what the other alternatives are, and the impact of status quo. Additionally, CPUC staff will submit reports that show how the funds authorized for the utilities are being spent on an annual basis. This is very important because for the first time it allows the public to see clearly how consumer dollars are being spent.”

Added Commissioner Picker, “The risk-based decision-making framework insures ongoing efforts to improve safety above and beyond simple compliance by targeting risk, approving appropriate levels of prevention, and aiming at our overall goal of zero accidents. This is a groundbreaking process and we’ll continue developing metrics for measuring improvements and relating them to utility expenditures.”

The electric safety citation program proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M143/K352/143352128.PDF>.

The risk-based decision-making proposal voted on is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M143/K504/143504954.PDF>.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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